

Message Text

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ACTION OES-06

INFO OCT-01 EUR-12 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FEAE-00 FPC-01 H-02

INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04

USIA-06 SAM-01 SP-02 SS-15 STR-04 TRSE-00 ACDA-07

PA-01 PRS-01 ERDE-00 /103 W
----- 109092

R 181208Z OCT 76

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 6200

C O N F I D E N T I A L SECTION 01 OF 02 PARIS 30648

DEPT PLS PASS ERDA ADMINISTRATOR SIEMENS AND AIA
SIEVERING

E.O.11652: GDS

TAGS: PFOR, ENRG, US, FR

SUBJECT: CEA ADMINISTRATOR'S VIEWS ON US-FRENCH
NUCLEAR BREEDER REACTOR COOPERATION

1. SUMMARY. ON OCTOBER 7, EMBASSY SCICOUN HAD AN
INFORMAL DISCUSSION WITH CEA ADMINISTRATOR ANDRE GIRAUD
ON A FEW TOPICS WHICH WERE INITIATED IN BILATERAL
CONVERSATIONS AT THE IAEA CONFERENCE IN RIO DE JANEIRO.
GIRAUD WOULD LIKE TO PURSUE THE CREATION OF A COMPANY
IN THE UNITED STATES WHICH WOULD BE A SUBSIDIARY OF
THE FRENCH-GERMAN COMBINATION RECENTLY ESTABLISHED TO
PURSUE THE COMMERCIAL APPLICATION OF BREEDER REACTORS.
THIS AFFILIATE WOULD THEN BE IN A POSITION TO CONTRACT
WITH ERDA AND/OR AMERICAN REACTOR MANUFACTURERS AND/OR
UTILITIES IN THE CONSTRUCTION OF BREEDER REACTORS IN
THE US. END SUMMARY.

2. GIRAUD HAS NOT UNDERTAKEN A DETAILED STUDY OF
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ESTABLISHING AN AFFILIATE IN THE US; HOWEVER, HIS

CURRENT VIEWS, WHICH HE DESCRIBES AS HIS "OFF-THE-HEAD-THOUGHTS", APPEAR TO PROVIDE A PRACTICAL MECHANISM FOR INTRODUCING FRENCH BREEDER REACTOR TECHNOLOGY INTO THE US. THE PRIMARY AND PRINCIPAL CONDITION FROM THE POINT OF VIEW OF THE CEA IS THAT ANY USE OF FRENCH BREEDER TECHNOLOGY IN THE US BRING SOME FORM OF REWARD - CASH - TO FRANCE. NOTHING NEW. GIRAUD, HOWEVER, DESCRIBES THIS AS A ROYALTY ON COMMERCIAL PLANTS OR FEE FOR SALE OF CERTAIN TECHNOLOGIES RELATING TO THE BREEDER. THE MONEY NEED NOT BE PAID NOW, BUT IT MUST BE SEEN AS A FUTURE RESULT IF THE FRENCH TECHNOLOGY IS USED SUCCESSFULLY.

3. IN ADDITION, A NEW CONDITION, WHICH RESULTS FROM THE RECENT ARRANGEMENT BETWEEN FRANCE AND WEST GERMANY TO COOPERATE ON PROMOTING BREEDER REACTOR TECHNOLOGY, REQUIRES FRG AGREEMENT TO SUCH CEA PROPOSALS. A NEW FRENCH CORPORATION, NOVATOME, HAS BEEN CREATED TO BUILD THE SUPER PHENIX AND TO OTHERWISE SEE TO THE COMMERCIAL APPLICATION OF FRENCH BREEDER TECHNOLOGY. IN WEST GERMANY THE CORPORATION INTERATOM IS TO UNDERTAKE SIMILAR OBJECTIVES UTILIZING FRG BREEDER REACTOR TECHNOLOGY. THE AGREEMENT BETWEEN THE TWO COUNTRIES PROVIDES THAT THIRD COUNTRY EXPLOITATION BE DONE ON A MUTUALLY-AGREEABLE BASIS, BUT THAT WITH REGARD TO NORTH AMERICA CEA WILL BE THE SPOKESMAN FOR THE BINATIONAL CONSORTIUM. THIS MEANS THAT WHILE GIRAUD WILL SPEAK FOR THE TWO COUNTRIES WITH REGARD TO EXPORTING FRANCE/FRG LMFBR TECHNOLOGY TO THE US, HE MAY ONLY DO SO WITH THE GENERAL CONCURRENCE OF THE WEST GERMANS. AT THIS TIME, HE ADVISES, HE HAS NOT DISCUSSED THIS PROPOSAL WITH THE WEST GERMANS.

4. THE AFFILIATE IN THE US WOULD BE ESTABLISHED AS A

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ACTION OES-06

INFO OCT-01 EUR-12 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FEAE-00 FPC-01 H-02

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USIA-06 SAM-01 SP-02 SS-15 STR-04 TRSE-00 ACDA-07

PA-01 PRS-01 ERDE-00 /103 W

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R 181208Z OCT 76

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 6201

C O N F I D E N T I A L SECTION 02 OF 02 PARIS 30648

DEPT PLS PASS ERDA ADMINISTRATOR SIEMENS AND AIA
SIEVERING

US CORPORATION OPERATING UNDER US LAW. IT WOULD OWN
THE RIGHTS TO THE USE OF THE FRENCH AND PROBABLY
GERMAN TECHNOLOGY, BUT IT WOULD NOT BECOME AN
OPERATING CORPORATION TO THE EXTENT OF BUILDING
BREEDER REACTORS. IT WOULD ENTER INTO AGREEMENTS WITH
ERDA AND/OR WITH AMERICAN REACTOR CONSTRUCTORS AND/OR
UTILITIES AND WOULD RECEIVE PAYMENT FOR THE TECHNOLOGY
IT PROVIDED THROUGH THE CONTRACTS. IN THIS MANNER,
IN GIRAUD'S OPINION, THE CEA COULD RECEIVE SOME
FINANCIAL REWARD FOR ITS SUCCESSES IN BREEDER
TECHNOLOGY. GIRAUD OFFERED NO SPECIFIC SUGGESTIONS
AS TO WHAT MIGHT CONSTITUTE A FIRST CONTRACT FOR SUCH
AN AFFILIATE. HE DID INDICATE THAT HE WOULD WELCOME
THE OPPORTUNITY TO DISCUSS THE GENERAL TOPIC FURTHER
DURING HIS VISIT TO THE US IN NOVEMBER AND THAT HE
WOULD CERTAINLY NEED TO DISCUSS THE ISSUE FURTHER
WITH HIS GERMAN COLLEAGUES BEFORE MAKING ANY FIRM
COMMITMENTS IN THE MATTER. IT IS ASSUMED THAT NO
FURTHER EFFORTS WILL BE MADE ON THE EXISTING DRAFT
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ERDA-CEA AGREEMENT UNTIL THIS PROPOSAL IS MUCH FURTHER
PURSUED.
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